

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



September 26, 2003

ALL COUNTY LETTER NO. 03-47

TO: ALL COUNTY WELFARE DIRECTORS
ALL FOOD STAMP COORDINATORS**REASON FOR THIS TRANSMITTAL**

- ☐ State Law Change
- ☒ Federal Law or Regulation Change
- ☐ Court Order
- ☐ Clarification Requested by One or More Counties
- ☐ Initiated by CDSS

SUBJECT: IMPLEMENTATION OF THE FINAL RULE ON ANTICIPATING
INCOME AND REPORTING CHANGES IN THE FOOD STAMP
PROGRAM – EFFECTIVE NOVEMBER 1, 2003REFERENCE: United States Department of Agriculture (USDA), Food and
Nutrition Service (FNS) Administrative Notice (AN) 03-23 dated
May 1, 2003.

The purpose of this letter is to transmit implementing instructions and proposed state regulations to County Welfare Departments (CWDs), for changes to food stamp regulations that are a result of final federal rules on Anticipating Income and Reporting Changes. These changes are being implemented through emergency regulations, which will become effective November 1, 2003. The changes shall be applied to all new applicants, to the current change reporting caseload, and to the monthly reporting and retrospective budgeting caseload as of November 1, 2003. Counties will be held harmless from Quality Control (QC) errors for a period of 120 days from the effective date.

The attached proposed regulations make changes in the following areas:

CHANGE REPORTING HOUSEHOLDS**Unearned Income Reporting (63-504.421(c)(1)) and (63-505.512 new)**

- The reporting threshold for unearned income will be increased from \$25 to \$50 for change reporting households. These households are required to report an unearned income change of more than \$50 except for changes in Public Assistance (PA) or General Assistance (GA) and food stamp cases jointly processed by the same eligibility worker. If GA and food stamp cases are not jointly processed by the same eligibility worker, the household is responsible for reporting changes in GA of more than \$50.

Earned Income Reporting (63-505.511)

- Change reporting households with earned income, in addition to reporting a change in the source of income (starting, stopping, or changing jobs when the change is accompanied by a change in income), will now be required to report when a change of more than \$100 occurs since the last time the household's allotment was calculated. These households can be certified for no more than six months.

MONTHLY REPORTING HOUSEHOLDS (63-503.232(c)(2))

Income Only in the Month Received

- In monthly reporting and retrospective budgeting (MRRB) households, the following technical change needs to be made in procedures for handling certain recurring income. The CWDs shall budget recurring income received once or *twice a month* in the month that it is intended to cover. The CWDs shall not vary the budgeting of such income merely because it is received during another month as the result of changes in mailing cycles or pay dates, *or because weekends or holidays* result in an additional or missed payment.

FORMS ASSOCIATED WITH THE ACL

The following forms will be revised to coincide with the regulation changes: 1) The DFA 377.5 (Food Stamp Household Change Report) and 2) the FS 23 (How to Report).

DFA 377.5 Food Stamp Household Change Report (Recommended Form)

This is a recommended form that Nonassistance Food Stamp households can use to report mandatory or voluntary changes in writing. This document will have changes, in section 1 titled **INCOME CHANGES**, to coincide with the new reporting thresholds for unearned and earned income. The remainder of the form (sections 2 through 12) will remain unchanged.

FS 23 How To Report (Required Form)

This is a required form that is provided to the Food Stamp household at Certification. This document will have two bullets added, on page 2, to advise/explain the new reporting thresholds in change reporting. The remainder of the form will remain unchanged.

AVAILABILITY OF NEW FORMS FOR ORDERING

Counties shall use the new forms as of November 1, 2003.

Page Three

TRANSLATION AND CAMERA-READY COPIES

For camera-ready copies of English and Spanish forms, please call the Forms Management Unit (FMU) at (916) 657-1907 or CALNET at 437-1907. CWDs may obtain these forms from the Department's web page at: <http://www.dss.cahwnet.gov>, or obtain copies by contacting FMU. Your Forms Coordinator now receives all translations as soon as they become available, if your county is on the Language Translation Services (LTS) mailing list. All translated messages in Russian and Asian (Cambodian, Chinese, and Vietnamese) versions of forms will follow shortly. Call LTS at (916) 657-3429 if your county does not receive the Russian and Asian translations.

If you have any questions regarding this letter, please contact Tiffany Jones at (916) 654-1905 or Tiffany.Jones@dss.ca.gov.

Sincerely,

Original signed by

BRUCE WAGSTAFF
Deputy Director
Welfare to Work Division

Enclosures

PROPOSED

Amend Section 63-503 to read:

63-503 DETERMINING HOUSEHOLD ELIGIBILITY AND
BENEFIT LEVELS (Continued)

63-503

.2 Determining Resources, Income and Deductions

.23 Households Subject to Retrospective Budgeting After the Beginning Months

.232 Retrospective Budgeting

(c) Income Only in the Month Received (Continued)

- (2) The CWD shall budget stable earned and unearned income which is received on a regular basis as a ~~single~~ monthly or semi-monthly payment for the month such income is intended to cover. Households receiving such income shall not have their monthly income varied merely because mailing or payment cycles, or because weekends or holidays may cause two payments to be received in one month and none in the next month. (Continued)

Authority Cited: Sections 10553, 10554, 10604, 11369, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; 7 Code of Federal Regulations (CFR) 271.2; 7 CFR 272.3(c)(1)(ii); 7 CFR 273.1(b)(2)(iii), (c)(3)(i), (ii) and (e)(1)(i) as published in the Federal Register, Volume 59, No. 110 on June 9, 1994; 7 CFR 273.2(j)(4); 7 CFR 273.4(c)(2), (c)(2)(i), (c)(2)(i)(A), (c)(2)(iv), (c)(2)(v), (c)(3)(v), and (e)(1) and (2); 7 CFR 273.9(b)(1)(ii), ~~and (b)(2)(ii), and (d)(6)(iii)(F)~~; 7 CFR 273.10; 7 CFR 273.10(a)(1)(iii)(B); 7 CFR 273.10(c)(2)(iii), (c)(3)(ii), proposed amended 7 CFR 273.10(d) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; (d)(1)(i), (d)(2), (d)(3), (d)(4), and proposed (d)(8) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, and proposed amended 7 CFR 273.10(e)(1)(i)(E-H) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 273.11(a)(1)(i) through (iii), (a)(2)(i), (b)(1), (b)(1)(i) and (ii), (c), (c)(1), (c)(2)(iii), (c)(3)(ii), (d)(1), and (e)(1); 7 CFR 273.12(a)(1)(i)(A), (a)(1)(i)(B), (a)(1)(i)(C)(2), and (c)(3)(iv); 7 CFR 273.21(f)(2)(ii), (iii), (iv), and (v), (g)(3), (j)(1)(vii)(B), and (S); (Court Order re Final Partial Settlement Agreement in Jones v. Yeutter (C.D. Cal. Feb. 1, 1990) _____ F. Supp. _____; Waiver Letter WFS-100:FS-10-6-CA, dated October 2, 1990, U.S.D.A., Food and Consumer Services; Administrative Notice No. 89-12, No. 92-23, dated February 20, 1992, No. 94-

PROPOSED

39, and No. 94-65; Public Law (P.L.) 100-435, Section 351, and P.L. 101-624, Section 1717; [7 United States Code (U.S.C.) 2012, 2014(e), and 2017(c)(2)(B)]; 7 U.S.C. 2015(d)(1); 8 U.S.C. 1631, P.L. 104-193, Sections 115, 815, 821, 827 and 829 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); Federal Food Stamp Policy Memos 82-9 dated December 8, 1981, and 88-4 dated November 13, 1987, ~~and~~ Federal Register, Vol. 66, No. 229, dated November 28, 2001, and USDA, FNS AN 02-23 dated February 6, 2002; and USDA FNS AN 03-23, dated May 1, 2003.

PROPOSED

Amend Section 63-504 to read:

63-504 HOUSEHOLD CERTIFICATION AND CONTINUING ELIGIBILITY 63-504
(Continued)

.4 Effecting Changes for Nonmonthly Reporting Households

.42 Action on Reported Changes for Prospectively Budgeted Households

.421 The CWD shall take prompt action on all reported changes to determine if the change affects the household's eligibility or allotment. (Continued)

(c) Changes reported during the certification period shall be subject to the same verification procedures as apply at initial certification, with the following exceptions.

(1) The CWD shall not verify income if the source is unchanged and the amount has changed by ~~\$2550~~ or less. (Continued)

Authority Cited: Sections 10553, 10554, 10604, 11265.1, 11369, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; 7 Code of Federal Regulations (CFR) 271.2; proposed 7 CFR 273.2(f)(1)(xii) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (f)(8)(i); (f)(8)(i)(A) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; (f)(8)(ii), (h), and (h)(1)(i)(D), 7 CFR 273.2(j)(3) and (4); 7 CFR 273.8(b); 7 CFR 273.9(d)(6)(iii)(F), 7 CFR 273.10(d)(4), (f), (g)(1)(i) and (ii); 7 CFR 273.12(a)(1)(i)(A), (a)(1)(i)(B), and (a)(1)(i)(C)(2); proposed 7 CFR 273.12(a)(1)(vi) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, and (c); 7 CFR 273.12(e)(1), (e)(2), and (e)(4); 7 CFR 273.13(a)(2); 7 CFR 273.13(b)(1); 7 CFR 273.14; 7 CFR 273.14(b)(3) and (e); 7 CFR 273.18(e)(6)(ii); 7 CFR 273.21(e)(1), (f)(1)(iii), (f)(1)(iv)(B), (f)(2)(v), (h)(2)(iv), proposed (h)(2)(ix) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (h)(3)(ii), (i), (j), (j)(1)(vi), (j)(1)(vii)(A) and (r), (j)(2)(iii), (j)(3)(ii), (j)(3)(iii)(B), (j)(3)(iii)(C), and proposed (j)(3)(iii)(E) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 274.10; Public Law (P.L.) 100-435, Section 351, P.L. 101-624, and P.L. 103-66; Section 1717, [7 U.S.C. 2014(e)]; 7 U.S.C. 2014(d)(7) and 2017(c)(2)(B); U.S.D.A. Food and Consumer Services, Administrative Notices 94-39 and 97-50; P.L. 104-193, Sections 801, 807 and 827 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); ~~and~~ Federal Administrative Notice 97-99, dated August 12, 1997; and United

PROPOSED

States Department of Agriculture (USDA), Food and Nutrition Service (FNS)
Administrative Notice (AN) 02-23, dated February 6, 2002; and USDA FNS
AN 03-23, dated May 1, 2003.

PROPOSED

Amend Section 63-505 to read:

63-505 HOUSEHOLD RESPONSIBILITIES (Continued)

63-505

.5 Reporting Changes for Households Excluded from Monthly Reporting Requirements

.51 Household Responsibility to Report

The CWD shall not impose any food stamp reporting requirements on nonmonthly reporting households except as provided in Sections 63-505.511 through .516~~7~~. Certified households shall report the following changes in circumstances:

.511 Changes in the sources of income, ~~and in the amount of gross monthly income of more than \$25.~~ including starting or stopping a job or changing jobs, if the change is accompanied by a change in income. In addition, provided that the household is certified for no more than six months, changes in the amount of earned income of more than \$100 per month since the last time the allotment was calculated.

.512 Changes in the amount of unearned income of more than \$50.

(a) Changes in the public assistance or the general assistance grant are not required to be reported. Since the CWD has prior knowledge of all changes in these grants, action shall be taken on the CWD information. However, if general assistance and food stamp cases are not jointly processed, the household is responsible for reporting changes of more than \$50.

(b) (Continued)

~~.5123~~ (Continued)

~~.5134~~ (Continued)

~~.5145~~ (Continued)

~~.5156~~ (Continued)

PROPOSED

Authority Cited: Sections 10553, 10554, 10604, 11369, and 18904, Welfare and Institutions Code.

Reference: 7 CFR 272.4(f); 7 CFR 273.2(j)(3) and (4); 7 CFR 273.10(d)(4); 7 CFR 273.11(a)(2)(iii); 7 CFR 273.12, (a)(1)(i), (a)(1)(i)(A), (a)(1)(i)(B), (a)(1)(i)(C)(2), and proposed .12(a)(1)(vi) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 273.2(d); proposed 7 CFR 273.2(f)(1)(xii) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 273.21(b), (b)(4), (f)(2)(v), (h)(2)(iv), proposed (h)(2)(ix) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (h)(3), and (i); P.L. 100-435, Section 351; P.L. 101-624, Section 1717 [7 U.S.C. 2014(e)] and Section 1723 [7 U.S.C. 2015(c)(1)(A)]; P.L. 102-237, Section 908 [7 U.S.C. 2016(h)(1)]; Food and Consumer Services Administrative Notice 96-13, dated December 7, 1995; United States Department of Agriculture, Food and Nutrition Service Administrative Notice 03-23, dated May 1, 2003; Letter from Food and Consumer Services to Fred Schack, dated March 25, 1996; Food Stamp Act of 1977; and Sections 10554, 10830, and 18904, Welfare and Institutions Code.